



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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Executive Director
www.boe.ca.gov

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California Military Members to Receive Use Tax Exemption

Sacramento – A California State Board of Equalization (BOE)-supported bill that provides an exemption from the [state's use tax requirements](#) for members of the military and their families who purchase goods outside of the state prior to the report date on their transfer orders will take effect January 1, 2014. The use tax exemption provided in [Assembly Bill 143 \(Holden\)](#) will remain in effect through 2018.

“This tax break is a small way to thank the members of our military and their families who sacrifice so much for our great nation,” said BOE Chairman Jerome E. Horton.

Current law exempts active duty service members from paying use tax on vehicles when the purchase is made outside of California, and the use of the vehicle in California is due to a transfer order, and not their own decision. This new law extends the use tax exemption to any other items such as televisions, computers, and clothing which were purchased less than 90 days before the report date on their transfers. Purchases made more than 90 days before the transfer date are not subject to use tax.

Use tax collection has been part of California law since 1935. Purchases for use in California that are made out-of-state, or from an out-of-state online, telephone, or mail-order vendor, are generally subject to use tax if the retailer does not collect the tax that is owed at the rate applicable in the location where the item will be used.

It is easy for consumers to pay the use tax they owe in the space designated for use tax on their state income tax forms. The BOE has developed a use tax table that calculates the use tax liability based upon taxpayers' adjusted gross income. For purchases of \$1,000 or more, the exact amount of use tax owed must be reported and paid.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

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The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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